

**OVERSIGHT BOARD TO THE FORMER  
COMMUNITY REDEVELOPMENT AGENCY  
OF THE CITY OF COMPTON  
STAFF REPORT**

**DATE:** AUGUST 20, 2014

**TO:** THE HONORABLE CHAIR AND BOARD MEMBERS

**FROM:** EXECUTIVE DIRECTOR

**SUBJECT: A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY FOR THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON CONDUCTING THE PUBLIC HEARING AND APPROVING THE CLOSING OF ESCROW AND CONVEYANCE OF CERTAIN PROPERTY TO COMPTON COMMERCIAL DEVELOPMENT RENAISSANCE PLAZA, LLC, PURSUANT TO CERTAIN AGREEMENT BY AND AMONG THE SUCCESSOR AGENCY, COMPTON COMMERCIAL DEVELOPMENT L.L.C., BAKEWELL AND BUNKLEY INVESTMENT COMPANY, LONNIE R. BUNKLEY, DANNY J. BAKEWELL, SR. AND THE CITY OF COMPTON AND SUBMIT SUCH RESOLUTION TO THE CALIFORNIA DEPARTMENT OF FINANCE**

**SUMMARY**

Staff respectfully request the Board conduct the public hearing and approve the resolution authorizing the Executive Secretary to close escrow on certain Agency owned property in the City of Compton and convey the Property to Compton Commercial Development Renaissance Plaza, LLC, pursuant to the terms of certain Agreement and submit such resolution to the California Department of Finance for its review and approval.

**BACKGROUND**

Assembly Bill (AB) X1 26 and AB 1484 made certain changes to the Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the California Health and Safety Code), including adding Part 1.8 (commencing with Section 34161) and Part 1.85 (commencing with Section 34170) ("Part 1.85"). The City Council of the City of Compton (the "City") made an election to serve as the successor agency for the Community Redevelopment Agency of the City of Compton (the "Former Agency") under Part 1.85 (the

“Successor Agency”). The City Council, acting as the governing board for the Successor Agency, established rules and regulations applicable to the governance and operation of the Successor Agency, and pursuant to such resolution provided that the Successor Agency will be governed by a Board of Directors consisting of the members of the City Council of the City.

## **STATEMENT OF ISSUE**

The Successor Agency, as successor in interest to the Former Agency by operation of law, is a party to a certain Mutual Release of Claims and Settlement Agreement, dated on or about April 20, 2006 (the “Agreement”), by and among the Former Agency, Compton Commercial Development Renaissance Plaza, LLC, successor in interest to Compton Commercial Development Renaissance Plaza Company, Compton Commercial Development Company, Compton Commercial Development L.L.C., Bakewell and Bunkley Investment Company, Lonnie R. Bunkley, Danny J. Bakewell, Sr. and the City.

Under the Agreement and subject to the satisfaction of certain conditions set forth therein, the Successor Agency has agreed to release certain liens it currently holds against properties owned by the non-Successor Agency parties to the Agreement, and terminate certain existing agreements between itself and the non-Successor Agency parties to the Agreement. More specifically, the Successor Agency has agreed to:

- Re-convey the Deed of Trust recorded August 20, 1985, as Instrument No. 85-963178 of Official Records;
- Re-convey the Deed of Trust recorded October 2, 1996, as Instrument No. 96-1619130 of Official Records;
- Cancel the Redevelopment Agreement recorded October 2, 1996, Instrument No. 96-1619128 of Official Records;
- Re-convey the Deed of Trust recorded on May 8, 1990, as Instrument No. 90-847457 of Official Records;
- Cancel the Redevelopment Agreement recorded May 13, 1988, Instrument No. 88-773659 of Official Records; and
- Cancel two Method of Financing Agreements, the first recorded May 19, 1990, as Instrument No. 90-854192 of Official Records, and the second recorded November 19, 1992, as Instrument No. 92-2157772 of Official Records (collectively, the “Agency Actions”), and convey to Compton Commercial Development Renaissance Plaza, LLC that certain property owned by the Successor Agency and described in Exhibit “A” of the proposed Resolution (the “Property”).

Pursuant to the Agreement, and concurrently with the performance of the Agency Actions and conveyance of the Property, the Successor Agency shall receive through escrow \$250,000 and a promissory note in favor of the Successor Agency in the principal amount of \$3,500,000, bearing interest at the rate of 4% per annum, and secured by a deed of trust on that certain property owned in fee by Compton Commercial Development Renaissance Plaza, LLC and described in Exhibit “B” of the proposed Resolution (collectively, the “Agency Consideration”).

The Successor Agency desires to proceed to close the escrow established under the Agreement and thereby take the Agency Actions, convey the Property to Compton Commercial Development Renaissance Plaza, LLC, and accept the Agency Consideration pursuant to the terms of the Agreement.

### **FISCAL IMPACT**

The Successor Agency shall receive through escrow \$250,000 and a promissory note in favor of the Successor Agency in the principal amount of \$3,500,000, bearing interest at the rate of 4% per annum and secured by a deed of trust on that certain property owned in fee by Compton Commercial Development Renaissance Plaza, LLC.

### **RECOMMENDATION**

That the Board adopt the attached resolution directing the Successor Agency to close escrow on certain agency-owned properties, take the Agency Actions, convey the Property to Compton Commercial Development Renaissance Plaza, LLC, and accept the Agency Consideration pursuant to the terms of the Agreement and as described above, and submit such resolution to the California Department of Finance for its review and approval.

**DR. KOFI SEFA-BOAKYE**  
**MANAGER**

**G. HAROLD DUFFEY**  
**EXECUTIVE DIRECTOR**

**MUTUAL RELEASE OF CLAIMS AND  
SETTLEMENT AGREEMENT**

**Parties**

(1) The parties to this agreement are the Compton Commercial Development Corporation, Compton Commercial Development Company, Compton Commercial Development, L.L.C., Compton Commercial Development Renaissance Plaza Company, a California General Partnership, Bakewell and Bunkley Investment Company, Lonnie R. Bunkley, and Danny J. Bakewell, Sr., hereinafter referred to collectively as ("CCD"), the Community Redevelopment Agency of the City of Compton, Compton Urban Community Development Commission, hereinafter referred to collectively as ("Agency"), and the City of Compton, hereinafter referred to as ("City").

**Date and Place of Agreement**

(2) This agreement is entered into as of the 22 day of May 2006, in Compton, California.

**Purpose of the Agreement**

(3) The purpose of this agreement is for each party to mutually release the other from any claims or liabilities arising out of the parties' business relationship as hereinafter set forth and to release each other from any liability and claims, actions, causes of action, demands, rights, damages, costs, attorneys' fees, and any compensation whatsoever arising out of such relationships except as hereinafter provided.

### Recitals

(4) "CCD," "Agency" and "City" have enjoyed a very positive long-term business relationship; however, certain disputes and claims have arisen in the course of their relationship which they desire to resolve without further conflict or litigation. Generally, these conflicts involve the following issues:

#### Compton Renaissance Plaza

(4.1) On or about April 8, 1988, "CCD" and "Agency" entered into a "Disposition and Development Agreement." Pursuant to this agreement, "Agency" sold a designated parcel of land to "CCD" for the development of a first-class major shopping center in the City of Compton. "CCD" created a development plan and constructed a contemporary first-class major shopping center known as the Compton Renaissance Plaza Shopping Center (herein after referred to as Renaissance Plaza) located on the northeast corner of Compton Boulevard between Alameda Street and Willowbrook Avenue in the City of Compton.

The claims and disputes concerning this development which now exists between "CCD," "Agency" and "City" include, but are not limited to: (1) "CCD's" claim that "City" and "Agency" failed to clean up, cap, rough grade and convey fee simple title to the well site located on the Renaissance Plaza Development site at no additional cost to "CCD;" (2) that "CCD" lost substantial revenue as a result thereof; (3) "Agency" claims that "CCD" has failed to make certain royalty payments pursuant to the Disposition and Development Agreement; (4) "CCD" claims that it incurred substantial cost, penalties and interests as a result of "Agency's" refusal to promptly execute a subordination agreement in August 2004, which "CCD" believes the "Agency" had an obligation to do and the "Agency" believed it did not have any such obligation.

#### The Alondra Shopping Center

(4.2) The Alondra Shopping Center, known as Alondra Square , was one of "CCD's" first commercial developments in the City of Compton. A conflict and dispute now exists between "CCD" and "Agency" regarding the amount of the outstanding balance due to "Agency" on the development loan made to "CCD" by "Agency" to "CCD" which was used for payment of back real estate taxes and renovations.

#### The Northwest Corner (McDonald Site)

(4.3) "CCD" purchased the real property located on the northwest corner of Compton Boulevard and Willowbrook Avenue and the parcel on the northwest corner of Culver Avenue and Compton Boulevard on or after January 1995. "CCD" has a claim against "Agency" and/or "City" for expenses incurred by "CCD" for environmental clean up of contaminated soil which existed on the site prior to its purchase. "CCD" claims the "City" knew the property was contaminated and did not disclose it to "CCD" The "Agency" claims it is owed a balance on the initial purchase price and had no obligation to clean up the site from environmental contamination which existed prior to the conveyance of the property to "CCD."

#### Tamarind Center

(4.4) This dispute relates to a parcel of land located on the southeast corner directly behind the Compton Renaissance Plaza Shopping Center formerly known as the Tamarind Center. "CCD" claims that it had an exclusive negotiating agreement with "Agency" and "City" which entitled "CCD" to acquire this real property and that this agreement was breached by "City" and "Agency" when it was conveyed to another developer. The Agency claims that there was not an exclusive negotiating agreement with "CCD" at the time when this real property was conveyed to another developer.

## **Agreement**

(5) In order to resolve the claims and the disputes set forth herein above and any and all claims or disputes related thereto (excluding in all cases any disputes or claims regarding the issuance or failure to issue or agreement to issue governmental permits or approvals relating to entitlement, development or construction on any real property), the parties agree as follows:

(5.1) "City" and/or "Agency" based on which Party or Parties' signatures may be convenient and/or required to effectuate this transaction, will convey and/or reconvey all right, title and interest to "CCD" to the Real Properties referenced herein as, the Renaissance Plaza Shopping Center, well site, Northwest Corner (McDonald Site) and the Alondra Shopping Center, free and clear of any debt, liens, easements or obligations or any other encumbrances held by or owed to "City" and/or "Agency" through escrow within thirty (30) days of the date of execution of this Agreement.

(5.2) The parties agree that with the exception of the vesting of the ownership title in the name of "CCD", the Disposition and Development Agreement entered into on April 8, 1988, governing the Parties' rights and obligations in the Renaissance Plaza property; the loan agreement between the Compton Urban Community Development Commission, related to Alondra Square, dated May 16, 1985; the Disposition and Development Agreement governing the Northwest corner (McDonald Site), dated July 31, 1995; and, any other pre-existing agreements related to or purporting to effect the rights of the properties which are the subject of this agreement are rescinded effective immediately upon execution of this Agreement.

(5.3) The Parties agree that "Agency" will reconvey within thirty (30) days from the date of execution of this agreement, through escrow, the deed of trust and promissory note held as a security interest in the Renaissance Plaza Property.

(5.4) In consideration of the acts and conveyances referred to in the foregoing paragraphs, (1), (2) and (3) and in accordance with the mutual agreement entered into by both parties, "CCD" will within thirty (30) days from execution of this agreement, convey to "Agency", through escrow, a second deed of trust and promissory note, in a form acceptable to the Agency, in the sum of Three Million Five Hundred Thousand Dollars (\$3,500,000.00) fully amortized for thirty-five years at four percent (4%) simple annual interest.

(5.5) Agency shall execute, acknowledge and deliver reasonable subordination agreements necessary to subordinate its new deed of trust to any deed of trust securing any refinancing of the existing first lien deed of trust on the Renaissance Plaza property provided that the maximum amount of such refinancing lien does not exceed \$7,000,000.00 (Seven Million Dollars) and provided, further, that unless authorized by City in order to effectuate favorable financing, the refinancing loan is not made by any of the parties to this agreement or any of their affiliates and that the Agency is given copies of the refinancing loan documents. "CCD" hereby represents that the current amount of the first lien is \$6,450,000.00.

(5.6) In further consideration of the foregoing "CCD" shall pay to "Agency" within thirty (30) days from the date of execution of this agreement, through escrow the sum of Two Hundred Fifty Thousand Dollars (\$250,000.00) for past city participation on payments.

(5.7) "Agency" shall also clear, clean, cap, remove all well related paraphanelia and convey through said escrow, clear title to the well site property located on the Renaissance Plaza Property, and secure appropriate environmental sign off, by close of escrow.

(5.8) Upon the execution hereof, the parties shall promptly open an escrow at Vernon Escrow Co., 2925 W. Vernon Ave., Los Angeles, CA 90008; (323) 295-3216 to facilitate the completion of the transactions described herein, deliver a copy of this Agreement to the escrow



officer, and order a title report for the Renaissance Plaza Property. CCD will bear the costs of the escrow. CCD will pay for the premiums for all title insurance, including Agency's title insurance for its second deed of trust, all recording charges, and all documentary transfer taxes (if any).

### **MUTUAL RELEASE**

(6) In consideration of the satisfaction of all the terms and conditions set forth herein, the parties hereby fully release and discharge each other from all rights, claims, causes of actions, demands, or litigation which they now have against each other stemming from their differences arising out of the facts and subject matter and disputes described herein.

### **MUTUAL RELEASE OF UNKNOWN CLAIMS**

(7) The parties hereby acknowledge and agree that the Mutual Release given herein applies to all claims for damages, or losses to property, real or personal, whether those damages, or losses are know or unknown, foreseen or unforeseen, patent or latent which the parties may have against one another stemming from their differences arising out of the facts and subject matter and disputes described herein. The parties waive application of California Civil Code § 1542.

Each party certifies that they have read the following provisions of California Civil Code § 1542:

“A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.”

The parties understand and acknowledge that the significance and consequence of this waiver

of California Civil Code § 1542 is that even it should eventually suffer additional damages arising out of the facts and subject matter of the instant action, it will not be able to make any claim for those damages. Furthermore, the parties acknowledge that each party consciously intends these consequences even as to claims for damages that may exist as of the date of this release but which they do not know exist, and which, if known, would materially affect their decision to execute this release, regardless of whether their lack of knowledge is the result of ignorance, oversight, error, negligence or any other cause.

(8.0) **GENERAL PROVISIONS**

**Recitals**

(8.1) Each recital hereof is a material part of this Agreement, is incorporated herein, and is a material inducement to the Parties in entering into this Agreement. The language of this Agreement shall be construed as a whole, according to its fair meaning and intent, and not strictly for or against any party hereto, regardless of who drafted or was principally responsible for drafting the Agreement or any specific term or condition hereof. The Parties have negotiated and cooperated in the drafting and preparation of this Agreement and it shall not be construed against any party as a result of the same. This Agreement shall be deemed to have been drafted by all Parties hereto and no party shall urge otherwise.

**Captions**

(8.2) The paragraph, titles, or captions used in this Agreement are inserted only for and intended solely for the convenience of reference and shall in no manner modify, expand, limit, explain, construe, describe the scope of, or in any other way affect the terms or conditions of the Agreement.

### **Amendments**

(8.3) Any amendment, modification, addendum, or revision of this Agreement shall be valid only if in writing and signed by all of the Parties, in which event there need be no legal consideration thereof.

### **Ownership of Claims and Related Real Property**

(8.4) The parties hereto represent and warrant that they have not assigned, transferred or conveyed, or purported to assign, transfer or convey, in any manner, to any person or entity, any rights or interest in the Released Claims and Properties relating to the Released Matters. Each party represents and warrants to the other party that it is the owner and holder of all rights concerning the same. Each of the Parties and signatories hereby warrants, represents, and agrees that it is authorized to execute and deliver this Agreement and it has complied with all laws with respect to authorization to enter into the same.

### **Execution Knowing and Voluntary**

(8.5) The Parties hereto further warrant, represent and agree that, in negotiating and executing this Agreement, they do so with full knowledge of any and all rights that they may have, and that they have received independent legal advice from legal counsel of their own selection. Each party hereto further acknowledges and represents that it: (a) has fully and carefully read this Agreement prior to execution, (b) has had the opportunity to make whatever investigation or inquiry it deems necessary or appropriate in connection with the subject matter of this Agreement, (c) has been afforded the opportunity to negotiate as to any and all terms hereof, (d) is executing this Agreement as a free and voluntary act, and (e) has duly authorized the signatory reflected below to execute this Agreement on its behalf.

### **Successors and Assigns**

(8.6) This Agreement contains the entire Agreement between, and understanding of, the Parties, and the Parties warrant and represent that no promise, warranty, representation, statement, or agreement, express or implied, not herein expressed is relied upon or made the basis for entering into this Agreement or agreeing to any of the terms hereof.

### **Severability**

(8.7) If any provision of this Agreement is held to be invalid or unenforceable, all other provisions shall nevertheless continue in full force and effect.

### **Governing Law**

(8.8) This Agreement and all rights and obligations hereunder shall be governed by and construed in accordance with the laws of the State of California and, to the extent necessary to effectuate this Agreement, the United States Bankruptcy Code, Federal Rules of Bankruptcy Procedures and Local Bankruptcy Rules of the Central District of California in effect as of the date of execution.

### **Enforcement of Agreement**

(8.9) Any dispute, action or proceeding, at law or in equity, arising out of this Agreement, and/or with respect to the subject matter of this Agreement, and/or to enforce or interpret the provisions of this Agreement, including, but not limited to, an action for declaratory or injunctive relief, will be litigated in the Superior Court of the State of California for the County of Los Angeles. In the event of a breach of this agreement and litigation arising therefrom, in addition to any other relief to which the prevailing party may be entitled, the prevailing party shall be entitled to recover its costs of suit, including attorney's fees.

### **Counterparts and Facsimile Signature Pages**

(8.10) This Agreement may be executed in any number of multiple originals called "Counterparts," all of which taken together shall constitute one and the same instrument, and any of the Parties hereto may execute this Agreement by signing any such counterpart. A signature made upon any one such counterpart shall be deemed to have been made and shall have the same effect as if it had been made on every such counterpart. Facsimile or photocopies of signatures shall be binding and admissible in any proceeding, as though original.

### **Costs of This Agreement**

(8.11) Each party to this Agreement agrees to bear their own costs and attorneys' fees in connection with the negotiation, drafting and execution of this Agreement.

### **Further Assurances**

(8.12) The Parties to this Agreement hereby agree that they will take such lawful acts, and execute, notarize and deliver all documentation and instruments, necessary or appropriate to effectuate the provisions of this Agreement.

### **ADVICE OF ATTORNEY**

(9.0) Each party warrants and represents that in executing this Agreement that party has relied upon legal advice from the attorney of that party's choice, licensed to practice law in the State of California; that the terms of this Agreement have been read and its consequences have been completely read and explained to that party by that party's attorney; and that party fully understands the terms of this Agreement. Each party further acknowledges and represents that, in executing this Agreement and Release, that party has not relied on any inducements, promises, or representations made by any party or any person representing or serving any party, except as set forth in this Agreement and Release.

**EFFECTIVE DATE**

(10.0) This written Agreement shall become effective upon the signatures of each and every party hereto.

**READ THE ABOVE CAREFULLY BEFORE SIGNING**

Executed this 30th day of March, 2006 at Los Angeles, California

COMPTON COMMERCIAL DEVELOPMENT CORPORATION; COMPTON COMMERCIAL DEVELOPMENT COMPANY; COMPTON COMMERCIAL DEVELOPMENT, L.L.C.; COMPTON COMMERCIAL DEVELOPMENT RENAISSANCE PLAZA COMPANY, A California General Partnership; BAKEWELL AND BUNKLEY INVESTMENT COMPANY; LONNIE R. BUNKLEY, AND DANNY J. BAKEWELL, SR. (collectively as "CCD")

By: 

By: 

LONNIE BUNKLEY

Executed this 22 day of May, 2006 at Compton, California.

COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON; COMPTON URBAN COMMUNITY DEVELOPMENT COMMISSION (collectively as "Agency")

By: 

Executed this 22 day of May, 2006 at Compton, California

CITY OF COMPTON ("City")

By: 

Executed this 3<sup>rd</sup> day of April, 2006 at Los Angeles, California.

Approved as to form:

**Ivie, McNeill & Wyatt**

By: 

Rickey Ivie, Attorneys for  
COMPTON COMMERCIAL DEVELOPMENT  
CORPORATION, et. al. ("CCD")

Executed this 20<sup>th</sup> day of April, 2006 at Compton, California.

Approved as to form:

By: 

CITY OF COMPTON, OFFICE OF THE CITY  
ATTORNEY, ATTORNEYS FOR CITY OF  
COMPTON ("City"); and COMMUNITY  
REDEVELOPMENT AGENCY OF THE CITY OF  
COMPTON, et. al., ("Agency")



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RESOLUTION NO. 48

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON PROPOSING THE CLOSING OF TRANSACTIONS CONTEMPLATED BY THE MUTUAL RELEASE OF CLAIMS AND SETTLEMENT AGREEMENT BY AND AMONG THE FORMER COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON, COMPTON COMMERCIAL DEVELOPMENT RENAISSANCE PLAZA, LLC, SUCCESSOR IN INTEREST TO COMPTON COMMERCIAL DEVELOPMENT RENAISSANCE PLAZA COMPANY, COMPTON COMMERCIAL DEVELOPMENT COMPANY, COMPTON COMMERCIAL DEVELOPMENT L.L.C., BAKEWELL AND BUNKLEY INVESTMENT COMPANY, LONNIE R. BUNKLEY, DANNY J. BAKEWELL, SR. AND THE CITY OF COMPTON

RECITALS:

A. AB X1 26 and AB 1484 made certain changes to the Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the California Health and Safety Code), including adding Part 1.8 (commencing with Section 34161) and Part 1.85 (commencing with Section 34170) ("Part 1.85").

B. The City Council of the City of Compton (the "City") made an election to serve as the successor agency for the Community Redevelopment Agency of the City of Compton (the "Former Agency") under Part 1.85 (the "Successor Agency").

C. The City Council, acting as the governing board for the Successor Agency, established rules and regulations applicable to the governance and operation of the Successor Agency, and pursuant to such resolution provided that the Successor Agency will be governed by a Board of Directors consisting of the members of the City Council of the City.

D. The Successor Agency (as successor in interest to the Former Agency by operation of law) is a party to that certain Mutual Release of Claims and Settlement Agreement by and among the Former Agency, Compton Commercial Development Renaissance Plaza, LLC, successor in interest to Compton Commercial Development Renaissance Plaza Company, Compton Commercial Development Company, Compton Commercial Development L.L.C., Bakewell and Bunkley Investment Company, Lonnie R. Bunkley, Danny J. Bakewell, Sr. and the City dated on or about April 20, 2006 (the "Agreement").

E. Under the Agreement and subject to the satisfaction of certain conditions set forth therein, the Successor Agency has agreed to release certain liens it currently holds against properties owned by the non-Successor Agency parties to the Agreement, and terminate certain existing agreements between itself and the non-Successor Agency parties to the Agreement. More specifically, the Successor Agency has agreed to, (a) re-convey the Deed of Trust recorded August 20, 1985, as Instrument No. 85-963178 of Official Records; (b) re-convey of the Deed of Trust recorded October 2, 1996, as Instrument No. 96-1619130 of Official Records; (c) cancel the Redevelopment Agreement recorded October 2, 1996, Instrument No. 96-1619128 of Official Records; (d) re-convey the Deed of Trust recorded on May 8, 1990, as Instrument No. 90-847457 of Official Records; (e) cancel the Redevelopment Agreement recorded May 13, 1988, Instrument No. 88-773659 of Official Records; and (f) cancel two Method of Financing Agreements, the first recorded May 19, 1990, as Instrument No. 90-854192 of Official Records, and the second recorded November 19, 1992, as Instrument No. 92-2157772 of Official Records (collectively, the "Agency Actions"), and convey to Compton Commercial Development Renaissance Plaza, LLC that certain



property owned by the Successor Agency and described in Exhibit "A" attached hereto (the "Property").

F. Under the Agreement, and concurrently with the performance of the Agency Actions and conveyance of the Property, the Successor Agency shall receive through escrow \$250,000 and a promissory note in favor of the Successor Agency in the principal amount of \$3,500,000, bearing interest at the rate of 4% per annum, and secured by a deed of trust on that certain property owned in fee by Compton Commercial Development Renaissance Plaza, LLC and described in Exhibit "B" attached hereto (collectively, the "Agency Consideration").

G. The Successor Agency desires to proceed to close the escrow established under the Agreement and thereby take the Agency Actions, convey the Property to Compton Commercial Development Renaissance Plaza, LLC, and accept the Agency Consideration.

**NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON HEREBY FINDS, DETERMINES, RESOLVES, AND ORDERS AS FOLLOWS:**

SECTION 1. The Board of Directors hereby requests that the Oversight Board for the Successor Agency adopt a resolution directing the Successor Agency to close the escrow, take the Agency Actions, convey the Property to Compton Commercial Development Renaissance Plaza, LLC, and accept the Agency Consideration pursuant to the terms of the Agreement and as described in Recitals E and F above, and submit such resolution of the Oversight Board to the California Department of Finance for its review and approval.

SECTION 2. The officers and staff of the Successor Agency are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable to effectuate this Resolution.

**PASSED AND ADOPTED** this 15th day of July, 2014.

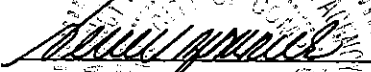
**ADOPTED** this \_\_\_\_\_ day of \_\_\_\_\_, 2014.


  
**CHAIRPERSON OF THE SUCCESSOR AGENCY  
TO THE COMMUNITY REDEVELOPMENT  
AGENCY OF THE CITY OF COMPTON**

Resolution No. 48  
Page 3 of 3

ATTEST:

\_\_\_\_\_  
SECRETARY OF THE SUCCESSOR AGENCY  
TO THE COMMUNITY REDEVELOPMENT  
AGENCY OF THE CITY OF COMPTON

  
\_\_\_\_\_  
Chief Deputy City Clerk



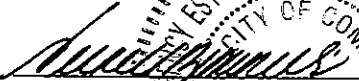
STATE OF CALIFORNIA  
COUNTY OF LOS ANGELES  
CITY OF COMPTON: ss

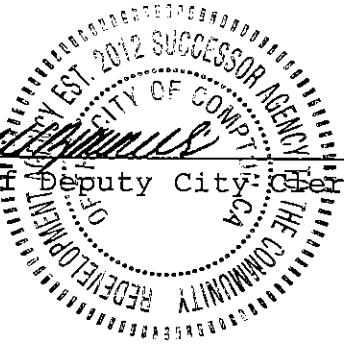
I, Alita Godwin, Secretary of the Successor Agency to the Community Redevelopment Agency of the City of Compton, hereby certify that the foregoing resolution was adopted by the Successor Agency, signed by the Chairperson, and attested by the Secretary at a regular meeting thereof held on the 15th day of July, 2014.

That said resolution was adopted by the following vote:

AYES: BOARD MEMBERS- Zurita, Arceneaux, Jones, Brown  
NOES: BOARD MEMBERS- None  
ABSENT: BOARD MEMBERS- Galvan  
ABSTAINS: BOARD MEMBERS- None

\_\_\_\_\_  
SECRETARY OF THE SUCCESSOR AGENCY  
TO THE COMMUNITY REDEVELOPMENT  
AGENCY OF THE CITY OF COMPTON

  
\_\_\_\_\_  
Chief Deputy City Clerk



**PUBLIC NOTICE**  
**OVERSIGHT BOARD TO THE FORMER COMMUNITY**  
**REDEVELOPMENT AGENCY FOR THE CITY OF COMPTON**

**PROPOSED DISPOSITION OF CERTAIN AGENCY-OWNED PROPERTY**  
**TO COMPTON COMMERCIAL DEVELOPMENT RENAISSANCE PLAZA ,**  
**LLC.,PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE**  
**SECTION 34181**

Notice is hereby given that on August 6, 2014 at 10:00 a.m. at City Council Chambers, 205 South Willowbrook Avenue, Compton, CA 90220, the Oversight Board to the Former Community Redevelopment Agency for the City of Compton will hold a public hearing to consider the disposition of certain Successor Agency-owned property to Compton Commercial Development Renaissance Plaza, LLC., pursuant to Agreement dated April 20, 2006. The subject property consists of:

That portion of Lots 4, 5, 10 and 11, Block 2 as shown on the Map of Wright's Addition to the Town of Compton, in the City of Compton, in the County of Los Angeles, State of California, as per Map recorded in Book 7, Page 55 of Maps, in the office of the County Recorder of said County, described as follows:

All interested persons are invited to appear at the time and place specified above to give testimony regarding the proposed property disposition. Further information may be obtained by contacting Dr. Kofi Sefa-Boakye, Successor Agency Director at (310) 605-5511 or Commission Services at (213) 974-1431 or [commserv@bos.lacounty.gov](mailto:commserv@bos.lacounty.gov).

PARA INFORMACIÓN EN ESPAÑOL, por favor comuníquese a la oficina de Servicios de Comisión al numero (213) 974 1431 entre 8:00 a.m. a 5:00 p.m. lunes a viernes.  
Posted on July 24, 2014.

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY FOR THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON CONDUCTING THE PUBLIC HEARING AND APPROVING THE CLOSING OF ESCROW AND CONVEYANCE OF CERTAIN PROPERTY TO COMPTON COMMERCIAL DEVELOPMENT RENAISSANCE PLAZA, LLC., PURSUANT TO CERTAIN AGREEMENT BY AND AMONG THE SUCCESSOR AGENCY, COMPTON COMMERCIAL DEVELOPMENT LLC., BAKEWELL AND BUNKLEY INVESTMENT COMPANY, LONNIE R. BUNKLEY, DANNY J. BAKEWELL, SR. AND THE CITY OF COMPTON AND SUBMIT SUCH RESOLUTION TO THE CALIFORNIA DEPARTMENT OF FINANCE**

**WHEREAS**, AB X1 26 and AB 1484 made certain changes to the Community Redevelopment Law Part 1 (commencing with Section 33000) of Division 24 of the California Health and Safety Code), including adding Part 1.8 (commencing with Section 34161) and Part 1.85 (commencing with Section 34170) ("Part 1.85"); and.

**WHEREAS**, the City Council of the City of Compton (the "City") made an election to serve as the successor agency for the Community Redevelopment Agency of the City of Compton (the "Former Agency") under Part 1.85 (the "Successor Agency"); and

**WHEREAS**, the City Council, acting as the governing board for the Successor Agency, established rules and regulations applicable to the governance and operation of the Successor Agency, and pursuant to such resolution provided that the Successor Agency will be governed by a Board of Directors consisting of the members of the City Council of the City; and

**WHEREAS**, the Successor Agency (as successor in interest to the Former Agency by operation of law) is a party to that certain Mutual Release of Claims and Settlement Agreement by and among the Former Agency, Compton Commercial Development Renaissance Plaza, LLC, successor in interest to Compton Commercial Development Renaissance Plaza Company, Compton Commercial Development Company, Compton Commercial Development L.L.C., Bakewell and Bunkley Investment Company, Lonnie R. Bunkley, Danny J. Bakewell, Sr. and the City dated on or about April 20, 2006 (the "Agreement"); and

**WHEREAS**, under the Agreement and subject to the satisfaction of certain conditions set forth therein, the Successor Agency has agreed to release certain liens it currently holds against properties owned by the non-Successor Agency parties to the Agreement, and terminate certain existing agreements between itself and the non-Successor Agency parties to the Agreement. More specifically, the Successor Agency has agreed to, (a) re-convey the Deed of Trust recorded August 20, 1985, as Instrument No. 85-963178 of Official Records; (b) re-convey of the Deed of Trust recorded October 2, 1996, as Instrument No. 96-1619130 of Official Records; (c) cancel the Redevelopment Agreement recorded October 2, 1996, Instrument No. 96-1619128 of Official Records; (d) re-convey the Deed of Trust recorded on May 8, 1990, as Instrument No. 90-847457 of Official Records; (e) cancel the Redevelopment Agreement recorded May 13, 1988, Instrument No. 88-773659 of Official Records; and (f) cancel two Method of Financing Agreements, the first recorded May 19, 1990, as Instrument No. 90-854192 of Official Records,

and the second recorded November 19, 1992, as Instrument No. 92-2157772 of Official Records (collectively, the "Agency Actions"), and convey to Compton Commercial Development Renaissance Plaza, LLC., that certain property owned by the Successor Agency and described in Exhibit "A" attached hereto (the "Property"); and

**WHEREAS** under the Agreement, and concurrently with the performance of the Agency Actions and conveyance of the Property, the Successor Agency shall receive through escrow \$250,000 and a promissory note in favor of the Successor Agency in the principal amount of \$3,500,000, bearing interest at the rate of 4% per annum, and secured by a deed of trust on that certain Agency property owned in fee by Compton Commercial Development Renaissance Plaza, LLC., (collectively, the "Agency Consideration"); and

**WHEREAS**, the Successor Agency desires to proceed to close the escrow established under the Agreement and thereby take the Agency Actions, convey the Property to Compton Commercial Development Renaissance Plaza, LLC., and accept the Agency Consideration.

**NOW, THEREFORE, THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE CITY OF COMPTON HEREBY FINDS, DETERMINES, RESOLVE, AND ORDERS AS FOLLOWS:**

**SECTION 1.** That the Oversight Board for the Successor Agency hereby approves the closing of the escrow and conveyance of the Property to Compton Commercial Development Renaissance Plaza, LLC., and accepts the Agency Consideration pursuant to the terms of the Agreement, and submit such resolution to the California Department of Finance for its review and approval.

**SECTION 2.** That upon approval of this resolution (Resolution) by the California Department of Finance, the Oversight Board authorizes and directs the Executive Director of the Successor Agency to take all such actions as may be required to close the escrow and convey the subject property Compton Commercial Development Renaissance Plaza, LLC.,

**SECTION 3.** That officers and staff of the Successor Agency are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable to effectuate this Resolution.

**ADOPTED** this \_\_\_\_ day of \_\_\_\_\_, 2014.

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**CHAIRPERSON OF THE OVERSIGHT BOARD  
TO THE SUCCESSOR AGENCY TO THE  
COMMUNITY REDEVELOPMENT  
AGENCY OF THE CITY OF COMPTON**

**ATTEST:**

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**SECRETARY TO THE OVERSIGHT BOARD  
TO THE SUCCESSOR AGENCY TO THE  
COMMUNITY REDEVELOPMENT  
AGENCY OF THE CITY OF COMPTON**

STATE OF CALIFORNIA  
COUNTY OF LOS ANGELES  
CITY OF COMPTON: ss

I, Rhonda Rangel, Secretary to the Oversight Board to the Successor Agency to the Community Redevelopment Agency of the City of Compton, hereby certify that the foregoing resolution was adopted by the Board, signed by the Chairperson, and attested by the Secretary at the regular meeting thereof held on the \_\_\_\_ day of \_\_\_\_\_, 2014.

That said resolution was adopted by the following vote, to wit:

**AYES:           BOARD MEMBERS -**  
**NOES:           BOARD MEMBERS -**  
**ABSENT:       BOARD MEMBERS -**

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**SECRETARY TO THE OVERSIGHT BOARD  
TO THE SUCCESSOR AGENCY TO THE  
COMMUNITY REDEVELOPMENT  
AGENCY OF THE CITY OF COMPTON**

## **EXHIBIT "A"**

### **LEGAL DESCRIPTION OF THE PROPERTY**

That portion of Lots 4, 5, 10 and 11, Block 2 as shown on the Map of Wright's Addition to the Town of Compton, in the City of Compton, in the County of Los Angeles, State of California, as per Map recorded in Book 7, Page 55 of Maps, in the office of the County Recorder of said County, described as follows:

Commencing at the center line intersection of Palmer Street, 50 feet wide, with the center line intersection of Willowbrook Avenue, 35 feet wide; thence North 89° 55' 20" East 330.05 feet along the center line of said Palmer Street; thence South 0° 05' 15" East 25.00 feet to the Southerly right of way line of said Palmer Street and the true point of beginning; thence continuing South 0° 05' 15" East 227.73 feet; thence North 89° 54' 45" East 55.00 feet; thence North 0° 05' 15" West 227.73 feet to said Southerly right of way line; thence South 89° 55' 20" West 55.00 feet along said right of way line to the true point of beginning.

## **EXHIBIT "B"**

### **LEGAL DESCRIPTION OF PROPERTY TO BE SUBJECT TO DEED OF TRUST IN FAVOR OF SUCCESSOR AGENCY**

#### Parcel 1:

All of Lots 2 through 6, inclusive; and Lots 8 through 12, inclusive, in Block 1, and all of Lots 2 through 6, inclusive; and Lots 8 through 12, inclusive, in Block 2, and all of Lots 1 through 4, inclusive; and Lots 7 through 10, inclusive, in Block 3, as shown on the Map of Wright's Addition to the Town of Compton, as per Map recorded in Book 7, Page 55 of Miscellaneous Records, in the City of Compton, County of Los Angeles, State of California, in the office of the County Recorder of said County, and those portions of Lot 5 and Lot 11 in said Block 3, lying Westerly of the following described line:

Commencing at the intersection of the Northerly line of said Lot 11 with the Westerly line of the Easterly 71.00 feet, as measured at right angles from the Easterly line of said lot; thence South 7° 27' 23" East, parallel with and 71.00 feet Westerly of said Easterly line 221.41 feet to the beginning of a tangent curve concave Westerly with a central angle of 0° 58' 04" and a radius of 4960.00 feet; thence Southerly along said curve, an arc distance of 83.79 feet to the Northerly right of way of Compton Boulevard, 80.00 feet wide and the point of terminus.

And all of Lots 1, 2, 7 and 8 and the Westerly 50.00 feet of Lot 3, in Block 4, as shown on Map of Wright's Addition to the Town of Compton, in the City of Compton, County of Los Angeles, State of California, as per Map recorded in Book 7, Page 55 of Miscellaneous Records; and Block "N" of Tract No. 3765, excepting the Easterly 26 feet thereof, as recorded in Book 41, Pages 88 and 89 of Maps, in the office of the County Recorder of said County, together with those portions of Magnolia Street, Tamarind Avenue, that portion of Palmer Street, 50 feet wide, lying between the Northerly prolongation of the Westerly line of Lot 7, Block 4 of said Map of Wright's Addition to the Town of Compton, and the Northerly prolongation of the Westerly line of the Easterly 26.00 feet of Lot 7, Block "N" as shown on Tract No. 3765, vacated by the City of Compton, by Resolution No. 15525, recorded May 2, 1988, as Document No. 88-602989 of Official Records.

Together with that portion of Palmer Street formerly (Terebinth Street) shown on said Map of Wright's Addition to the Town of Compton, in said City and State described as follows:

Commencing at the intersection of the Southerly prolongation of the Easterly right of way line of Tamarind Avenue, 60 feet wide, with the Easterly prolongation of the Southerly right of way line of Palmer Street, 50 feet wide; thence South 89° 55' 20" West along the said Southerly line 159.21 feet to a tangent curve concave Northwesterly with a central angle of 30° 0' 00" and a radius of 125.00 feet; thence Northeasterly along said curve, an arc distance of 65.45 feet; thence North 59° 55' 20" East 55.45 feet to a curve concave Northwesterly with a central angle 7° 35' 49" and a radius of 75.00 feet; thence Northeasterly along said curve, an arc distance of 9.94 feet to a non tangent point from which a radial line bears South 37° 40' 29" East, said point being at the intersection of said curve with the Easterly prolongation of the Northerly right of way line of said Palmer Street; thence North 89° 55' 20" East along said prolongation 37.66 feet to the said Southerly prolongation of Tamarind Avenue; thence South 3° 15' 00" East 50.08 feet along said Southerly prolongation to the point of beginning.

EXCEPT therefrom any portion thereof lying within the right of way of Compton Boulevard.

ALSO EXCEPT therefrom those portions of Lots 4, 5, 10 and 11, Block 2 of said Wright's Addition to the Town of Compton, described as follows:

Commencing at the center line intersection of Palmer Street, 50 feet wide, with the center line intersection of Willowbrook Avenue, 35 feet wide; thence North 89° 55' 20" East 330.05 feet along the center line of said Palmer Street; thence South 0° 05' 15" East 25.00 feet to the Southerly right of way line of said Palmer Street and the true point of beginning; thence continuing South 0° 05' 15" East 227.73 feet; thence North 89° 54' 45" East 55.00 feet; thence North 0° 05' 15" West 227.73 feet to said Southerly right of way line; thence South 89° 55' 20" West 55.00 feet along said right of way line to the true point of beginning.

ALSO EXCEPT therefrom that portion of said land described in document January 31, 1985, as Document No. 85-117826 of Official Records, all oil gas and other hydrocarbons substances in



and under all of the above described real property, but without any right to penetrate, use or disturb said property within 500 feet of the surface thereof, as reserved by Brett Mitchell Inc., in deed recorded January 31, 1985, as Document No. 85-117826 of Official Records.

ALSO EXCEPT therefrom that portion of said land described in document recorded February 10, 1989, as Document No. 89-231207 of Official Records, all oil, gas and mineral substances, together with the right to explore for and extract such substances, provided that the surface opening or any well, hole, shaft, or other means of exploring for, reaching or extracting such substances shall not be located within the Walnut Industrial Park Redevelopment Project and shall not penetrate any part or portion of said Project Area within 500 feet of the surface thereof, as reserved by Ronald Barrett Bush, in deed recorded February 10, 1989, as Document No. 89-231207 of Official Records.

ALSO EXCEPT therefrom that portion of said land described in document recorded July 30, 1986, as Document No. 86-965183 of Official Records, all oil, gas and mineral substances, together with the right to explore for and extract such substances provided that the surface opening of any well, hole, shaft, or other means of exploring for, reaching or extracting such substance shall not be located within the Walnut Park Industrial Project, as recorded in the Official Records of Los Angeles County, State of California, and shall not penetrate any part of said Project Area within 500 feet of the surface thereof, as reserved by Charles Davis, an unmarried man, by deed recorded July 30, 1986, as Document No. 86-965183 of Official Records.

ALSO EXCEPT therefrom that portions of said land described in document recorded March 24, 1981, as Document No. 81-293290 of Official Records, all oil, gas, hydrocarbon substances and minerals of every kind and characters lying more than 500 feet, below the surface of said land, together with the right to drill into, through, and to use and occupy all parts of said land lying more than 500 feet below the surface thereof for any and all purposes incidental to the exploration for and production of oil, gas, hydrocarbon substances or minerals from said land or other lands, but without, however, any right to use either the surface of said land or any portion of said land within 500 feet of the surface for any purpose or purposes whatsoever, as reserved by William B. Phillips et al, in deed recorded March 24, 1981, as Document No. 81-293290 of Official Records.

ALSO EXCEPT therefrom that portion of said land described in document recorded June 21, 1989, as Document No. 89-990515 of Official Records, all oil, hydrocarbon substances and minerals of every kind and character lying more than 500 feet below the surface of said land, together with the right to drill into, through, and to use and occupy all parts of said land lying more than 500 feet below the surface thereof for any and all purposes incidental to the exploration for and production of oil, gas, hydrocarbon substances or minerals from said lands but without, however the right to use either the surface of said land or any portion of said land within 500 feet of the surface for any purpose or purposes whatsoever, as reserved by Pacific Southwest Realty, a Delaware Corporation, in deed recorded June 21, 1989, as Document No. 89-990515 of Official Records.

ALSO EXCEPT therefrom that portion of said land described in document recorded July 20, 1988, as Document No. 88-1143020 of Official Records, all oil, gas and mineral substances, together with the right to explore for and extract such substances, provided that the surface opening of any well, hole, shaft, or other means of exploring for, reaching or extracting such substances shall not be located within the Walnut Industrial Park Redevelopment Project Area and shall not penetrate any part or portion of said Project Area within 500 feet of the surface thereof, in favor of Barnett Woods and Mary P. Woods, in Final Decree of Condemnation, recorded July 20, 1988, as Document No. 88-1143020 of Official Records.

ALSO EXCEPT therefrom that portion of said land described in document recorded January 30, 1986, as Document No. 86-4995 of Official Records, all oil, gas, hydrocarbon substances and minerals of every kind and character lying more than 500 feet below the surface of said land, together with the right to drill into, through, and to use and occupy all parts of said land lying more than 500 feet below the surface thereof for any and all purposes incidental to the exploration for and production of oil, gas, hydrocarbon substances or mineral from said land or other lands, but without, however, any right to use either the surface of said land or any portion of said land within 500 feet of the surface for any purpose whatsoever, as reserved by James Henderson, in deed recorded January 30, 1986, as Document No. 86-4995 of Official Records.

ALSO EXCEPT therefrom that portion of said land described in document recorded November 13, 1956, as Document No. 1400 of Official Records, all oil, gas and other hydrocarbon substances and mineral rights in and under said land, but without the right to enter upon the surface of said land for any purpose or to prospect for developing and providing any of such substances, as reserved by County of Los Angeles, a body corporate and politic, in deed recorded November 13, 1956, as Document No. 1400 of Official Records.

ALSO EXCEPT therefrom that portion of said land described in document recorded April 6, 1988, as Document No. 88-467793 of Official Records, all oil, gas and mineral substances, together with the right to explore for and extract such substances, provided that surface opening of any well, hole, shaft or other means of exploring for, reaching or extracting such substances shall not be located within the Walnut Industrial Park Redevelopment Project Area and shall not penetrate any part or portion of said project area within 500 feet of the surface thereof, as reserved by Greater Company Y.M.C.A., a California corporation, by Final Order of Condemnation, recorded April 6, 1988, as Document No. 88-467793 of Official Records.

ALSO EXCEPT therefrom that portion of said land described in document recorded April 30, 1971, as Document No. 379 of Official Records, all minerals below 500 feet, as reserved by Albert L. Hermann, Melba E. Hermann and Helen C. Schroeder, as set forth in document recorded April 30, 1971, as Document No. 379 of Official Records.

ALSO EXCEPT therefrom that portion of said land described in document recorded July 1, 1988, as Document No. 88-1048947 of Official Records, all oil, gas and mineral substances, together with the right for and extract such substances, provided that the surface opening of any well, hole, shaft, or other means of exploring for, reach or extracting such substances shall not be located within the Walnut Industrial Park Redevelopment Project and shall not penetrate any part or portion of said Project Area within 500 feet of the surface thereof, as reserved by Thomas A. Scott and Deloris Scott, in Final Decree of Condemnation, recorded July 1, 1988, as Document No. 88-1048947 of Official Records.

ALSO EXCEPT therefrom that portion of said land described in document recorded March 14, 1988, as Document No. 88-341736 of Official Records, all oil, gas and mineral substances together with the right to explore for and extract such substances, provided that the surface opening of any well, hole, shaft, or other means of exploring for, reaching or extracting such substances shall not be located within the Walnut Industrial Park Redevelopment Project and shall not penetrate any part or portion of said Project area within 500 feet of the surface thereof, in favor of United Brotherhood of Carpenters and Joiners of America, in Final Decree of Condemnation, recorded March 14, 1988, as Document No. 88-341736 of Official Records.

ALSO EXCEPT therefrom that portion of said land described in document recorded February 10, 1989, as Document No. 89-231206; and re-recorded June 30, 1989, as Document No. 89-1051606 both of Official Records, all oil, gas and mineral substances, together with the right to explore for and extract such substances, provided that the surface opening of any well, hole, shaft, or other means of exploring for, reaching or extracting such substances shall not be located within the Walnut Industrial Park Redevelopment Project and shall not penetrate any part or portion of said project area within 500 feet of the surface thereof, as reserved by the United Brotherhood of Carpenters and Joiners of America, in deed recorded February 10, 1989, as Document No. 89-231206; and re-recorded June 30, 1989, as Document No. 89-1051606 both of Official Records.

ALSO EXCEPT therefrom that portion of said land described in document recorded April 4, 1975, as Document No. 3934 of Official Records, all minerals and all oil, gas, and other hydrocarbon substances in and under said land below a depth of 500 feet, without the right of surface entry, as reserved by Atlantic Richfield Company, a corporation, in deed recorded April 4, 1975, as Document No. 3934 Official Records.

ALSO EXCEPT therefrom that portion of said land described in document recorded July 20, 1988, as Document No. 88-1143020 of Official Records, all oil, gas and mineral substances, together with the right to explore for and extract such substances, provided that the surface opening of any well, hole, shaft, or other means of exploring for, reaching or extracting such substances shall not be located within the Walnut Industrial Park Redevelopment Project Area and shall not penetrate any part or portion of said Project Area within 500 feet of the surface thereof, in favor of Barnett Woods and Mary P. Woods, in Final Decree of Condemnation, recorded July 20, 1988, as Document No. 88-1143020 Official Records.

ALSO EXCEPT therefrom that portion of said land described in document recorded January 31, 1985, as Document No. 85-117827 of Official Records all oil, gas and other hydrocarbon substances in and under said land but without any right to penetrate, use or disturb said property within 500 feet of the surface thereof, as reserved by Brett Mitchell, Inc., a corporation, by deed recorded January 31, 1985, as Document No. 84-117827 of Official Records.

ALSO EXCEPT therefrom that portion of said land described in document recorded July 17, 1981, as Document No. 81-712933 of Official Records, all oil, gas, hydrocarbon substances and minerals of every kind and character lying more than 500 feet below the surface of said land, together with the right to drill into, through, and to use and occupy all parts of said land lying more than 500 feet below the surface thereof for any and all purposes incidental to the exploration for and production of oil, gas hydrocarbon substances or minerals from said land or other lands, but without, however any right to use either the surface of said land or any portion of said land within 500 feet of the surface for any purpose or purposes whatsoever, as reserved by Greater Company Y.M.C.A., a corporation, in deed recorded July 17, 1981, as Document No. 81-712933 Official Records.

ALSO EXCEPT therefrom that portion of said land described in document recorded June 21, 1989, as Document No. 89-990517 of Official Records, all oil, hydrocarbon substances and minerals of every kind and character lying more than 500 feet below the surface of said land, together with the right to drill into, through, and to use and occupy all parts of said land lying more than 500 feet below the surface thereof for any and all purposes incidental to the exploration for and production of oil, gas hydrocarbon substances or minerals from said land or other lands, but without, however any right to use either the surface of said land or any portion of said land within 500 feet of the surface for any purpose or purposes whatsoever, as reserved by Paraskevas Karpouzis, an unmarried man, in deed recorded June 21, 1989, as Document No. 89990517 of Official Records.

ALSO EXCEPT therefrom that portion described in document recorded June 21, 1989, as Document No. 89-990516 of Official Records, all oil, hydrocarbon substances and minerals of every kind and character lying more than 500 feet below the surface of said land, together with the right to drill into, through, and to use and occupy all parts of said land lying more than 500 feet below the surface thereof for any and all purposes incidental to the exploration for and production of oil, gas hydrocarbon substances or minerals from said land, but without, however any right to use either the surface of said land or any portion of said land within 500 feet of the surface for any purpose or purposes whatsoever, as reserved by Darryl J. Tillman, in deed recorded June 21, 1989, as Document No. 89-990516 of Official Records.

ALSO EXCEPT therefrom that portion of said land described in document recorded March 20, 1990, as Document No. 90-548057 of Official Records, all oil, gas and mineral substances, together with the right to explore for and extract such substances, provided that the surface opening of any well, hole, shaft, or other means of exploring for, reaching or extracting such substances shall not be located within the Walnut Industrial Park Redevelopment Project Area and shall not penetrate any part or portion of said Project Area within 500 feet of the surface thereof, as reserved by David A. Hall and Betty L. Hall, husband and wife as joint tenants, by Final Decree of Condemnation, recorded March 20, 1990, as Document No. 90-548057 of Official Records.

ALSO EXCEPT therefrom that portion of said land described in document recorded April 3, 1990, as Document No. 90-639630 of Official Records, all oil, gas and mineral substances, together with the right to explore for and extract such substances, provided that the surface opening of any well, shaft, or other means of exploring for, reaching or extracting such substances shall not be located within the Walnut Industrial Park Redevelopment Project Area and shall not penetrate any part or portion of said Project Area within 500 feet of the surface thereof, as reserved by Betty K. Murphy, an unmarried woman, by Final Decree of Condemnation, recorded April 3, 1990, as Document No. 90-639630 of Official Records.

Parcel 2:

The reciprocal and non exclusive rights, easements and privileges, of use, ingress, egress, parking and for utility and other purposes created and granted as an appurtenance to Parcel 1 described above, in and by that certain Reciprocal Easement and Operation Agreement, dated May 11, 1990, by and between Compton Commercial Development Renaissance Plaza Company, a California general partnership and K Mart Corporation, a Michigan corporation, recorded May 16, 1990, as Document No. 90-889258 of Official Records; as modified by that Certain Amendment of Reciprocal Easement and Operation Agreement, dated September 10, 1993, by and among K Mart Corporation, Trustor and Vons Companies, Inc., recorded on November 1, 1993, as Document No. 93-2122716 of Official Records, in, on, over, upon and under certain adjoining real property therein more particularly described, together with all of the rights, powers, privileges and benefits under the Declaration accruing to the owner of said Parcel 1, its successors, legal representatives and assigns.

Parcel 3:

That portion of Lots 4, 5, 10 and 11, Block 2 as shown on the Map of Wright's Addition to the Town of Compton, in the City of Compton, in the County of Los Angeles, State of California, as per Map recorded in Book 7, Page 55 of Maps, in the office of the County Recorder of said County, described as follows:

Commencing at the center line intersection of Palmer Street, 50 feet wide, with the center line intersection of Willowbrook Avenue, 35 feet wide; thence North 89° 55' 20" East 330.05 feet along the center line of said Palmer Street; thence South 0° 05' 15" East 25.00 feet to the Southerly right of way line of said Palmer Street and the true point of beginning; thence continuing South 0° 05' 15" East 227.73 feet; thence North 89° 54' 45" East 55.00 feet; thence North 0° 05' 15" West 227.73 feet to said Southerly right of way line; thence South 89° 55' 20" West 55.00 feet along said right of way line to the true point of beginning.